

**UNITED STATES DEPARTMENT OF AGRICULTURE**

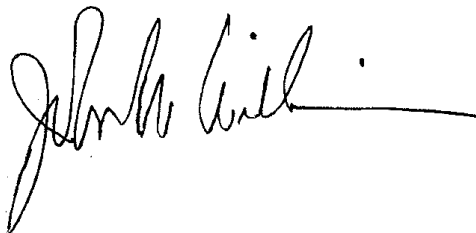
Farm Service Agency  
Washington, DC 20250

**Notice FI-2377**

**For:** All FSA Offices and KCMO

**Notification Letters for Referring Delinquent Debts to the Treasury Offset Program (TOP)**

**Approved by:** Acting Deputy Administrator, Management



---

**1 Overview**

**A**

**Background**

The Debt Collection Improvement Act of 1996 (DCIA) requires that debts over 180 days delinquent be referred to the Department of Treasury for offset from any eligible Federal payments due the debtors. FSA's practice since 1997 has been to refer only debts centralized in KCMO; however, there is now the capability to refer **all** eligible debts, including those debts which remain at the County Office (participating producers). FSA intends to be in compliance with this portion of DCIA by the end of the FY.

**B**

**Purpose**

This notice:

- informs offices that KCMO will be providing Field Offices with notification letters and listings of eligible and ineligible debtors for referral to TOP
- clarifies the County Office actions needed
- provides a Sample Due Process notification letter as Exhibit 1.

---

**Disposal Date**

October 1, 1999

**Distribution**

All FSA Offices; State Offices relay to County Offices

## Notice FI-2377

### 2 Due Process Notification Letter

---

#### A

##### Notification Letter

The notification letter gives debtors the required due process notification of the referral of their debts to TOP. The letters must be mailed on July 26, 1999, to give the debtors a full 60-day notice. This is a 1-time effort which will ensure that all debtors receive due process. Subsequently, debtors will receive their due process with the issuance of the new-system generated demand letters.

---

#### B

##### Action Needed

County Offices shall take action according to the following table.

Step	Action
1	Review letters to ensure accuracy of data.
2	Review listings which identify debtors that will be: <ul style="list-style-type: none"><li>referred to TOP on September 24, 1999</li><li><b>not</b> eligible for referral based on age or current referral and reason codes in the Automated Claims System (ACS).</li></ul> If necessary, promptly update ACS to correctly reflect the true status of each debt.
3	Verify the names and addresses on the letters to ensure that the right debtor is being notified at the most current address available. Modify those letters that need to be corrected and update both the Producer Name and Address File and the claim name and address record.
4	Mail 1 copy of the letter to the debtor on July 26, 1999; maintain a copy of each letter in the appropriate debtor's claim file; return the third copy of each letter to KCMO, Chief, Debt Collection Branch, with the CED's signature and notation of the date mailed.

---

#### C

##### Contact

For questions regarding this notice or DCIA in general, call 816-926-1941 and ask to speak with a Claims Representative.

---

**Sample Due Process Notification Letter**

---

July 26, 1999

Producer Name  
Producer Address

Dear *Producer Name*:

Farm Service Agency (FSA) and/or the Commodity Credit Corporation (CCC) delinquent debts are scheduled for referral in sixty days to the U.S. Department of Treasury (Treasury) for collection from qualifying Federal payments due. Once the debts are submitted to the Treasury Offset Program (TOP), Treasury will reduce or withhold any eligible Federal payments. This process, known as "offset", is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. Treasury is not required to send notice to individuals before payment is offset. Federal payments eligible for offset include: income tax refunds; Federal salary pay, including military pay; Federal retirement annuities, including military retirement pay; contractor/vendor payments; certain Federal benefits, such as Social Security, Railroad Retirement (other than tier 2), and Black Lung (part B) benefits; and other Federal payments, including certain loans that are not exempt from offset.

Your debt(s), residing in this office, are listed on the back of this letter. If you have appealed the debt to this office, have notified this office that you have filed for bankruptcy protection under Title 11 of the United States Code, or have notified this office that you are currently involved in litigation regarding this debt, it will not be referred to TOP.

Because this debt may be collected by offset of your federal income tax refund, you may present (within 60 days from the date of this letter) evidence that all or part of the debt is not past-due or legally enforceable. To do so, submit to this office a written explanation and include documentation to support your position.

Under Federal law and regulations, the following additional actions may be taken by USDA and Treasury to collect delinquent debts:

- Assessment of interest, administrative costs, and penalties
- Administrative garnishment of wages
- Offset of CCC and FSA payments
- Reporting of the debt to consumer and commercial credit bureaus
- Referral of the debt to private collection agencies and Treasury-designated collection centers
- Referral of the debt to Agency counsel or the Department of Justice for litigation
- Reporting the debt to the Internal Revenue Service if the debt, or any portion of the debt, is discharged.

You may avoid referral of your debt to Treasury by paying your debt by September 24, 1999. If you are unable to pay your debt by lump sum but wish to arrange for repayment in installments, you should forward a repayment proposal to this office. Include information about your income, expenses, assets, and liabilities.

Questions concerning your debt or this notice should be directed to this office at the above address or telephone number.

Sincerely,

County Executive Director